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October 23, 2013

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, S.W.  
Washington, D.C. 20554

ACCEPTED/FILED

OCT 23 2013

Federal Communications Commission  
Office of the Secretary

**RE: WC Docket Nos. 10-90 and 11-42  
Annual Report Pursuant to 47 C.F.R. §§ 54.313 and 54.422**

Dear Ms. Dortch:

Cordova Telephone Cooperative, Inc. ("Cordova"), by its authorized representative, files its FCC Form 481 - Carrier Annual Reporting Data Collection Form ("Form 481") in compliance with 47 C.F.R. §§ 54.313 and Section 54.422. The Form 481 has been completed, certified, and submitted to the Universal Service Administrative Company.

Pursuant to the Protective Order released November 16, 2012 (FCC Record DA 12-1857), and in accordance with the Commission's confidentiality rules, Cordova here submits redacted public paper copies of its Form 481 before the Commission. Cordova also submits, under separate cover, confidential unredacted copies of its Form 481. The financial information in the Form 481 is competitively sensitive and is not normally released to the public.

A copy of Cordova's Form 481 has also been submitted to the Regulatory Commission of Alaska pursuant to §§ 54.313(i) and 54.422(c). Please contact me if you have any questions.

Regards,

George Foote  
Attorney for Cordova Telephone Cooperative, Inc.

Attachment: FCC Form 481 Carrier Annual Reporting Data Collection Form  
cc: Cordova Telephone Cooperative, Inc.

No. of Copies rec'd  
List ABCDE

0+1

**CORDOVA TELEPHONE  
COOPERATIVE, INC. AND SUBSIDIARY**

**To the Board of Directors**

*Year Ended December 31, 2012*

## **EXECUTIVE SUMMARY**

*To assist you in your responsibilities as a member of the Board of Directors, this section summarizes the most significant conclusions reached and issues addressed during our audit of Cordova Telephone Cooperative, Inc. and Subsidiary for the year ended December 31, 2012.*

### **SIGNIFICANT CONCLUSIONS AND ISSUES**

We have completed our audit and issued our report dated March 14, 2013. Based on our work performed:

- We rendered an unqualified opinion on the financial statements as of and for the year ended December 31, 2012.
- We have identified conditions which we consider to be significant deficiencies in internal control over financial reporting, as defined by generally accepted auditing standards.
- We have not identified any conditions that we consider to be material weaknesses in internal control, as defined by generally accepted auditing standards.
- We received the full cooperation of management and staff throughout the organization and were kept informed as to developments and plans affecting our audit scope.
- No restrictions were placed on the scope of our work.

The following report includes additional information and communications for the benefit of those charged with governance, as required by professional standards.



CPAS AND BUSINESS CONSULTANTS

Personal. Local. Global.

REDACTED - FOR PUBLIC INSPECTION

To the Board of Directors  
Cordova Telephone Cooperative, Inc. and Subsidiary  
Cordova, Alaska

We have audited the consolidated financial statements of Cordova Telephone Cooperative, Inc. and Subsidiary (the Cooperative) for the year ended December 31, 2012 and have issued our report thereon dated March 14, 2013.

Our professional standards require that we communicate with you concerning certain matters that may be of interest to you in fulfilling your obligation to oversee the financial reporting and disclosure process for which management of the Cooperative is responsible. We have prepared the following comments to assist you in fulfilling that obligation.

#### **OUR RESPONSIBILITY UNDER GENERALLY ACCEPTED AUDITING STANDARDS**

As stated in our engagement letter for the 2012 audit, dated August 7, 2012 our responsibility, as described by professional standards generally accepted in the United States of America, is to express an opinion about whether the consolidated financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the consolidated financial statements does not relieve you or management of your responsibilities.

Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

As part of our audit, we considered the Cooperative's internal control over financial reporting. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed in our report on internal control over financial reporting and compliance and other matters, we did identify a significant deficiency in internal control over financial reporting, as defined by generally accepted auditing standards.

As part of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement, we performed tests of the Cooperative's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

#### **PLANNED SCOPE AND TIMING OF THE AUDIT**

We performed the audit according to the planned scope and timing previously communicated to management in various meetings during the year ended December 31, 2012. We completed fieldwork the week of February 4, 2013.

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PHONE: 503.585.7774 FAX: 503.364.8405

PORTLAND, OR | SALEM, OR | CARLSBAD, CA | ESCONDIDO, CA | SAN DIEGO, CA | ANCHORAGE, AK

AKT LLP

**QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES**

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Cooperative are described in Note 1 to the December 31, 2012 consolidated financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2012. We noted no transactions entered into by the Cooperative during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the consolidated financial statements in the proper period.

Accounting estimates are an integral part of the consolidated financial statements prepared by management and are based upon management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the consolidated financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Significant estimates in the Cooperative's financial statements include the estimate of the useful life of property and equipment, fair value measurements of financial instruments and investments, the value of the FCC licenses, and the estimate of uncollectible amounts on accounts receivable. During the year ended December 31, 2012, we are not aware of any significant changes in accounting estimates or in management's judgments relating to such estimates. We evaluated the key factors and assumptions used in determining that those estimates are reasonable in relation to the financial statements taken as a whole.

The disclosures in the consolidated financial statements are neutral, consistent, and clear. Certain financial statement disclosures and changes are particularly sensitive because of their significance to financial statement users.

- National Broadband Plan and FCC Order 11-161
- Matters involving the potential construction contingency

**AUDIT ADJUSTMENTS**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. These misstatements are commonly referred to as audit adjustments. For the purposes of this letter, professional standards define an audit adjustment as a proposed correction of the consolidated financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Cooperative's financial reporting process (that is, cause future financial statements to be materially misstated).

During the course of the audit, there were 12 audit adjustments for the Cooperative, and 3 adjustments for the Subsidiary. These included audit adjustments made at management's request to reconcile the accounts, entries related to income taxes, as well as entries supplied by management. Management has agreed with all of these adjustments, and these adjustments were recorded to the general ledger and are reflected in the consolidated financial statements.

In addition, we are obligated by auditing standards generally accepted in the United States of America to inform you about uncorrected misstatements (regardless of whether they have a significant effect on the financial reporting process) aggregated by us during the current engagement, and pertaining to the latest period presented, that were determined by management to be immaterial, both individually and in the aggregate, to the consolidated financial statements taken as a whole.

For the year ended December 31, 2011, there were no uncorrected or passed adjustments noted in the performance of our audit procedures.

#### **DISAGREEMENTS WITH MANAGEMENT**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### **MANAGEMENT REPRESENTATIONS**

We have requested certain representations from management that are included in the management representation letter dated March 14, 2013.

#### **CONSULTATION WITH OTHER ACCOUNTANTS**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Cooperative's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants about auditing and accounting matters during the year ended December 31, 2012.

#### **DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT**

In our judgment, we received the full cooperation of the Cooperative's management and staff and encountered no significant difficulties in dealing with management in performing and completing our audit.

#### **OTHER MATTERS**

During the course of our audit we also noted several "management points" about certain matters, which we have verbally communicated with management of the Cooperative. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are opportunities for strengthening internal controls and operating efficiencies and other immaterial accounting matters. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This information is intended solely for the use of the Board of Directors and management of Cordova Telephone Cooperative, Inc. and Subsidiary and is not intended to be and should not be used by anyone other than these specified parties.

**AKT LLP**

Salem, Oregon  
March 14, 2013

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0031. The time required to complete this information collection is estimated to average 4 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>		<i>This data will be used by RUS to review your financial situation. Your response is required by 7 U.S.C. 901 et seq. and, subject to federal laws and regulations regarding confidential information, will be treated as confidential.</i>  BORROWER NAME  Cordova Telephone Cooperative, Inc.  (Prepared with Audited Data)			
<b>INSTRUCTIONS-</b> Submit report to RUS within 30 days after close of the period. For detailed instructions, see RUS Bulletin 1744-2. Report in whole dollars only.		PERIOD ENDING December, 2010	BORROWER DESIGNATION AK0522		
<b>CERTIFICATION</b>  We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief. <b>ALL INSURANCE REQUIRED BY 7 CFR PART 1788, CHAPTER XVII, RUS, WAS IN FORCE DURING THE REPORTING PERIOD AND RENEWALS HAVE BEEN OBTAINED FOR ALL POLICIES.</b>  <b>DURING THE PERIOD COVERED BY THIS REPORT PURSUANT TO PART 1788 OF 7CFR CHAPTER XVII</b> (Check one of the following)					
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> All of the obligations under the RUS loan documents have been fulfilled in all material respects.         </div> <div style="width: 45%;"> <input type="checkbox"/> There has been a default in the fulfillment of the obligations under the RUS loan documents. Said default(s) is/are specifically described in the Telecom Operating Report         </div> </div>					
Paul Kelly		3/24/2011 DATE			
<b>PART A. BALANCE SHEET</b>					
ASSETS	BALANCE PRIOR YEAR	BALANCE END OF PERIOD	LIABILITIES AND STOCKHOLDERS' EQUITY	BALANCE PRIOR YEAR	BALANCE END OF PERIOD
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
1. Cash and Equivalents			25. Accounts Payable		
2. Cash-RUS Construction Fund			26. Notes Payable		
3. Affiliates:			27. Advance Billings and Payments		
a. Telecom, Accounts Receivable			28. Customer Deposits		
b. Other Accounts Receivable			29. Current Mat. L/T Debt		
c. Notes Receivable			30. Current Mat. L/T Debt-Rur. Dev.		
4. Non-Affiliates:			31. Current Mat.-Capital Leases		
a. Telecom, Accounts Receivable			32. Income Taxes Accrued		
b. Other Accounts Receivable			33. Other Taxes Accrued		
c. Notes Receivable			34. Other Current Liabilities		
5. Interest and Dividends Receivable			35. Total Current Liabilities (25 thru 34)		
6. Material-Regulated			<b>LONG-TERM DEBT</b>		
7. Material-Nonregulated			36. Funded Debt-RUS Notes		
8. Prepayments			37. Funded Debt-RTB Notes		
9. Other Current Assets			38. Funded Debt-FFB Notes		
10. Total Current Assets (1 Thru 9)			39. Funded Debt-Other		
<b>NONCURRENT ASSETS</b>			40. Funded Debt-Rural Develop. Loan		
11. Investment in Affiliated Companies			41. Premium (Discount) on L/T Debt		
a. Rural Development			42. Reacquired Debt		
b. Nonrural Development			43. Obligations Under Capital Lease		
12. Other Investments			44. Adv. From Affiliated Companies		
a. Rural Development			45. Other Long-Term Debt		
b. Nonrural Development			46. Total Long-Term Debt (36 thru 45)		
13. Nonregulated Investments			<b>OTHER LIAB. &amp; DEF. CREDITS</b>		
14. Other Noncurrent Assets			47. Other Long-Term Liabilities		
15. Deferred Charges			48. Other Deferred Credits		
16. Jurisdictional Differences			49. Other Jurisdictional Differences		
17. Total Noncurrent Assets (11 thru 16)			50. Total Other Liabilities and Deferred Credits (47 thru 49)		
<b>PLANT, PROPERTY, AND EQUIPMENT</b>			<b>EQUITY</b>		
18. Telecom, Plant-in-Service			51. Cap. Stock Outstand. & Subscribed		
19. Property Held for Future Use			52. Additional Paid-in-Capital		
20. Plant Under Construction			53. Treasury Stock		
21. Plant Adj., Nonop. Plant & Goodwill			54. Membership and Cap. Certificates		
22. Less Accumulated Depreciation			55. Other Capital		
23. Net Plant (18 thru 21 less 22)			56. Patronage Capital Credits		
24. TOTAL ASSETS (10+17+23)			57. Retained Earnings or Margins		
			58. Total Equity (51 thru 57)		
			59. TOTAL LIABILITIES AND EQUITY (35+46+50+58)		

Total Equity = 46.16% % of Total Assets

USDA-RUS		BORROWER DESIGNATION	
OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS		AK0522	
		PERIOD ENDING December, 2010	
INSTRUCTIONS- See RUS Bulletin 1744-2			
PART B. STATEMENTS OF INCOME AND RETAINED EARNINGS OR MARGINS			
ITEM	PRIOR YEAR	THIS YEAR	
1. Local Network Services Revenues			
2. Network Access Services Revenues			
3. Long Distance Network Services Revenues			
4. Carrier Billing and Collection Revenues			
5. Miscellaneous Revenues			
6. Uncollectible Revenues			
7. Net Operating Revenues (1 thru 5 less 6)			
8. Plant Specific Operations Expense			
9. Plant Nonspecific Operations Expense (Excluding Depreciation & Amortization)			
10. Depreciation Expense			
11. Amortization Expense			
12. Customer Operations Expense			
13. Corporate Operations Expense			
14. Total Operating Expenses (8 thru 13)			
15. Operating Income or Margins (7 less 14)			
16. Other Operating Income and Expenses			
17. State and Local Taxes			
18. Federal Income Taxes			
19. Other Taxes			
20. Total Operating Taxes (17+18+19)			
21. Net Operating Income or Margins (15+16-20)			
22. Interest on Funded Debt			
23. Interest Expense - Capital Leases			
24. Other Interest Expense			
25. Allowance for Funds Used During Construction			
26. Total Fixed Charges (22+23+24-25)			
27. Nonoperating Net Income			
28. Extraordinary Items			
29. Jurisdictional Differences			
30. Nonregulated Net Income			
31. Total Net Income or Margins (21+27+28+29+30-26)			
32. Total Taxes Based on Income			
33. Retained Earnings or Margins Beginning-of-Year			
34. Miscellaneous Credits Year-to-Date			
35. Dividends Declared (Common)			
36. Dividends Declared (Preferred)			
37. Other Debits Year-to-Date			
38. Transfers to Patronage Capital			
39. Retained Earnings or Margins End-of-Period [(31+33+34) - (35+36+37+38)]			
40. Patronage Capital Beginning-of-Year			
41. Transfers to Patronage Capital			
42. Patronage Capital Credits Retired			
43. Patronage Capital End-of-Year (40+41-42)			
44. Annual Debt Service Payments			
45. Cash Ratio [(14+20-10-11) / 7]			
46. Operating Accrual Ratio [(14+20+26) / 26]			
47. TIER [(31+26) / 26]			
48. DSCR [(31+26+10+11) / 44]			



<p>USDA-RUS</p> <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p> <p>INSTRUCTIONS - See RUS Bulletin 1744-2</p>	<p>BORROWER DESIGNATION AK0522</p> <p>PERIOD ENDED December, 2010</p>
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Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, & HIGH SPEED DATA INFORMATION							
EXCHANGE	1. RATES		2. SUBSCRIBERS (ACCESS LINES)			3. ROUTE MILES	
	B-1 (a)	R-1 (b)	BUSINESS (a)	RESIDENTIAL (b)	TOTAL (c)	TOTAL (including fiber) (a)	FIBER (b)
424	21.00	17.60					26.00
MobileWireless					0		
Route Mileage Outside Exchange Area						0.00	0.00
Total							26.00
No. Exchanges	1						

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>  INSTRUCTIONS - See RUS Bulletin 1744-2						BORROWER DESIGNATION AK0522  PERIOD ENDED December, 2010		
<b>Part C. SUBSCRIBER (ACCESS LINE), ROUTE MILE, &amp; HIGH SPEED DATA INFORMATION</b>								
<input type="checkbox"/> BROADBAND SERVICE								
<input type="checkbox"/> LEASED EQUIPMENT SERVICE								
EXCHANGE	No. Access Lines with BB available (a)	No Of Broadband Subscribers (b)	Number Of Subscribers (c)	Advertised Download Rate (Kbps) (d)	Advertised Upload Rate (Kbps) (e)	Price Per Month (f)	Standalone Pkg (f)	Type Of Technology (g)
424	[REDACTED]	[REDACTED]	[REDACTED]	256	256	39.99	StandAlone	DSL
Total	[REDACTED]	[REDACTED]	[REDACTED]					

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>			BORROWER DESIGNATION AK0522  PERIOD ENDING December, 2010								
INSTRUCTIONS- See RUS Bulletin 1744-2											
<b>PART D. SYSTEM DATA</b>											
1. No. Plant Employees	2. No. Other Employees	3. Square Miles Served	4. Access Lines per Square Mile	5. Subscribers per Route Mile							
6	6	2,268	.75	5.08							
<b>PART E. TOLL DATA</b>											
1. Study Area ID Code(s)  a. 613007 b. _____ c. _____ d. _____ e. _____ f. _____ g. _____ h. _____ i. _____ j. _____		2. Types of Toll Settlements (Check one)  <table style="width: 100%;"> <tr> <td style="width: 40%;">Interstate <input type="checkbox"/></td> <td style="width: 40%;">Average Schedule <input type="checkbox"/></td> <td style="width: 20%;">Cost Basis <input checked="" type="checkbox"/></td> </tr> <tr> <td>Intrastate <input type="checkbox"/></td> <td>Average Schedule <input type="checkbox"/></td> <td>Cost Basis <input checked="" type="checkbox"/></td> </tr> </table>				Interstate <input type="checkbox"/>	Average Schedule <input type="checkbox"/>	Cost Basis <input checked="" type="checkbox"/>	Intrastate <input type="checkbox"/>	Average Schedule <input type="checkbox"/>	Cost Basis <input checked="" type="checkbox"/>
Interstate <input type="checkbox"/>	Average Schedule <input type="checkbox"/>	Cost Basis <input checked="" type="checkbox"/>									
Intrastate <input type="checkbox"/>	Average Schedule <input type="checkbox"/>	Cost Basis <input checked="" type="checkbox"/>									
<b>PART F. FUNDS INVESTED IN PLANT DURING YEAR</b>											
1. RUS, RTB, FFB Loan Funds Expended			[REDACTED]								
2. Other Long-Term Loan Funds Expended			[REDACTED]								
3. Funds Expended Under RUS Interim Approval			[REDACTED]								
4. Other Short-Term Loan Funds Expended			[REDACTED]								
5. General Funds Expended (Other than Interim)			[REDACTED]								
6. Salvaged Materials			[REDACTED]								
7. Contribution in Aid to Construction			[REDACTED]								
Gross Additions to Telecom. Plant (1 thru 7)			[REDACTED]								
<b>PART G. INVESTMENTS IN AFFILIATE COMPANIES</b>											
INVESTMENTS  (a)	CURRENT YEAR DATA		CUMULATIVE DATA								
	Investment This Year	Income/Loss This Year	Cumulative Investment To Date	Cumulative Income/Loss To Date	Current Balance						
	(b)	(c)	(d)	(e)	(f)						
1. Investment in Affiliated Companies - Rural Development	0	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]						
2. Investment in Affiliated Companies - Nonrural Development											

<b>USDA-RUS</b>  <b>OPERATING REPORT FOR</b> <b>TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION AK0522  PERIOD ENDING December, 2010
<b>PART I. CURRENT DEPRECIATION RATES</b>	
Are corporation's depreciation rates approved by the regulatory authority with jurisdiction over the provision of telephone services? (Check one)	
<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
EQUIPMENT CATEGORY	DEPRECIATION RATE
1. Land and support assets - Motor vehicles	20.00%
2. Land and support assets - Aircraft	
3. Land and support assets - Special purpose vehicles	14.29%
4. Land and support assets - Garage and other storage equipment	20.00%
5. Land and support assets - Buildings	4.00%
6. Land and support assets - Furniture and Office equipment	20.00%
7. Land and support assets - General purpose computers	20.00%
<input type="checkbox"/> Central Office Switching - Digital	6.67%
9. Central Office Switching - Analog <input type="checkbox"/> Electro-mechanical	
10. Central Office Switching - Operator Systems	
11. Central Office Transmission - Radio Systems	6.67%
12. Central Office Transmission - Circuit equipment	6.67%
13. Information origination/termination - Station apparatus	
14. Information origination/termination - Customer premises wiring	
15. Information origination/termination - Large private branch exchanges	
16. Information origination/termination - Public telephone terminal equipment	
17. Information origination/termination - Other terminal equipment	
<input type="checkbox"/> Cable and wire facilities - Poles	3.81%
19. Cable and wire facilities - Aerial cable - Metal	5.26%
20. Cable and wire facilities - Aerial cable - Fiber	
21. Cable and wire facilities - Underground cable - Metal	3.33%
22. Cable and wire facilities - Underground cable - Fiber	3.33%
23. Cable and wire facilities - Buried cable - Metal	4.00%
24. Cable and wire facilities - Buried cable - Fiber	4.00%
25. Cable and wire facilities - Conduit systems	3.33%
26. Cable and wire facilities - Other	

<p>USDA-RUS</p> <p><b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b></p>	<p>BORROWER DESIGNATION AK0522</p> <p>PERIOD ENDED December, 2010</p>	
<p>INSTRUCTIONS – See help in the online application.</p>		
<p><b>PART I STATEMENT OF CASH FLOWS</b></p>		
1.	<p><b>Borrowing Costs (Costs Incurred for the Acquisition of RUS Capital Assets)</b></p>	
<p><b>CASH FLOWS FROM OPERATING ACTIVITIES</b></p>		
2.	<p><b>Net Income</b></p>	
<p><i>Adjustment to Reconcile Net Income to Net Cash from Operating Activities</i></p>		
3.	Add: Depreciation	
4.	Add: Amortization	
5.	Other (Explain)	
<p><b>Change in Operating Assets and Liabilities</b></p>		
6.	Decrease/(Increase) in Accounts Receivable	
7.	Decrease/(Increase) in Materials and Inventory	
8.	Decrease/(Increase) in Prepayments and Deferred Charges	
9.	Decrease/(Increase) in Other Current Assets	
10.	Increase/(Decrease) in Accounts Payable	
11.	Increase/(Decrease) in Advance Billings & Payments	
12.	Increase/(Decrease) in Other Current Liabilities	
13.	Net Change (Increase) or Decrease	
<p><b>CASH FLOWS FROM FINANCING ACTIVITIES</b></p>		
14.	Decrease/(Increase) in Notes Receivable	
15.	Increase/(Decrease) in Notes Payable	
16.	Increase/(Decrease) in Customer Deposits	
17.	Net Increase/(Decrease) in Long Term Debt (Including Current Maturities)	
18.	Increase/(Decrease) in Other Liabilities & Deferred Credits	
19.	Increase/(Decrease) in Capital Stock, Paid-in Capital, Membership and Capital Certificates & Other Capital	
20.	Less: Payment of Dividends	
21.	Less: Patronage Capital Credits Retired	
22.	Other (Explain)	
23.	Net Change (Increase) or Decrease	
<p><b>CASH FLOWS FROM INVESTING ACTIVITIES</b></p>		
24.	Net Capital Expenditures (Property, Plant & Equipment)	
25.	Other Long-Term Investments	
26.	Other Noncurrent Assets & Jurisdictional Differences	
27.	Other (Explain) other investing activities	
28.	Net Change (Increase) or Decrease	
29.	Net Increase/(Decrease) in Cash	
30.	Ending Cash	

<div>USDA-RUS</div> <div>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div>	<div>BORROWER DESIGNATION</div> <div>AK0522</div>
<div>INSTRUCTIONS - See RUS Bulletin 1744-2</div>	<div>PERIOD ENDED</div> <div>December, 2010</div>
<div>NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</div>	

USDA-RUS  <b>OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	BORROWER DESIGNATION  AK0522
INSTRUCTIONS - See RUS Bulletin 1744-2	PERIOD ENDED December, 2010
<b>CERTIFICATION LOAN <input type="checkbox"/> DEFAULT NOTES TO THE OPERATING REPORT FOR TELECOMMUNICATIONS BORROWERS</b>	

<b>FCC Form 481 - Carrier Annual Reporting</b> <b>Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<010> Study Area Code	613007
<015> Study Area Name	CORDOVA TEL COOP
<020> Program Year	2014
<030> Contact Name: Person USAC should contact with questions about this data	Lisa Koker
<035> Contact Telephone Number: Number of the person identified in data line <030>	9074242345
<039> Contact Email Address: Email of the person identified in data line <030>	lisa@ctcak.coop

ANNUAL REPORTING FOR ALL CARRIERS			54.313 Completion Required	54.422 Completion Required
<100> Service Quality Improvement Reporting	(complete attached worksheet)	(check box when complete)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<200> Outage Reporting (voice)	(complete attached worksheet)	(check box when complete)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<300> Unfulfilled Service Requests (voice)	0	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<310> Detail on Attempts (voice)			<input type="checkbox"/>	<input type="checkbox"/>
<320> Unfulfilled Service Requests (broadband)	0	(attach descriptive document)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<330> Detail on Attempts (broadband)			<input type="checkbox"/>	<input type="checkbox"/>
<400> Number of Complaints per 1,000 customers (voice)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<410> Fixed	0.0			
<420> Mobile	0.0			
<430> Number of Complaints per 1,000 customers (broadband)			<input checked="" type="checkbox"/>	<input type="checkbox"/>
<440> Fixed	0.0			
<450> Mobile	0.0			
<500> Service Quality Standards & Consumer Protection Rules Compliance	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> 613007ak510	(attach descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations	(check to indicate certification)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> 613007ak610	(attach descriptive document)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<710> Company Price Offerings (broadband)	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<800> Operating Companies and Affiliates	(complete attached worksheet)		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if yes, complete attached worksheet)		<input checked="" type="checkbox"/>	<input type="checkbox"/>
<1000> Voice Services Rate Comparability	(check to indicate certification)		<input type="checkbox"/>	<input type="checkbox"/>
<1010> <input type="checkbox"/>	(attach descriptive document)		<input type="checkbox"/>	<input type="checkbox"/>
<1100> Terrestrial Backhaul (Y/N)? <input checked="" type="radio"/> <input type="radio"/>	(if not, check to indicate certification)		<input type="checkbox"/>	<input type="checkbox"/>
<1110>	(complete attached worksheet)		<input type="checkbox"/>	<input type="checkbox"/>
<1200> Terms and Condition for Lifeline Customers	(complete attached worksheet)		<input type="checkbox"/>	<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000>	(check to indicate certification)	<input type="checkbox"/>	<input type="checkbox"/>
<2005>	(complete attached worksheet)	<input type="checkbox"/>	<input type="checkbox"/>

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

<3000>	(check to indicate certification)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<3005>	(complete attached worksheet)	<input checked="" type="checkbox"/>	<input type="checkbox"/>



<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
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<b>&lt;010&gt;</b>	Study Area Code	613007
<b>&lt;015&gt;</b>	Study Area Name	CORDOVA TEL COOP
<b>&lt;020&gt;</b>	Program Year	2014
<b>&lt;030&gt;</b>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<b>&lt;035&gt;</b>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<b>&lt;039&gt;</b>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctcak.coop
<b>&lt;110&gt;</b>	Has your company received its ETC certification from the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>
<b>&lt;111&gt;</b>	If your answer to Line <110> is yes, do you have an existing §54.202(a) "5 year plan" filed with the FCC?	(yes / no) <input type="radio"/> <input checked="" type="radio"/>

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

**<112>** Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.

Name of Attached Document (.pdf)

Please check these boxes below to confirm that the attached PDF, on line 112, contains a progress report on its five-year service quality improvement plan pursuant to § 54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

- <113>** Maps detailing progress towards meeting plan targets
- <114>** Report how much universal service (USF) support was received
- <115>** How (USF) was used to improve service quality
- <116>** How (USF) was used to improve service coverage
- <117>** How (USF) was used to improve service capacity
- <118>** Provide an explanation of network improvement targets not met in the prior calendar year.


(200) Service Outage Reporting (Voice)  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010> Study Area Code 613007

<015>	Study Area Name	CORDOVA TEL COOP
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<020>	Program Year	2014
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<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
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<035> Contact Telephone Number - Number of person identified in data line <030> 9074242345

<039> Contact Email Address - Email Address of person identified in data line <030> lisa@ctcak.coop

<220>	<a>	<b1>	<b2>	<b3>	<b4>	<c1>	<c2>	<d>	<e>	<f>	<g>	<h>
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[illegible]

(700) Price Offerings Including Voice Rate Data  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@cctcak.coop

<701> Residential Local Service Charge Effective Date  
<702> Single State-wide Residential Local Service Charge

1/1/2013

<703>

[illegible]



## Data Collection Form

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctcak.coop

<810> Reporting Carrier Cordova Telephone Cooperative, Inc.

<811> Holding Company

<812> Operating Company

<813>

## Affiliates

**SAC**

### Doing Business As Company or Brand Designation

-- See attached worksheet --

(900) Tribal Lands Reporting  
Data Collection Form

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctcak.coop

<910> Tribal Land(s) on which ETC Serves Cordova, Alaska

<920> Tribal Government Engagement Obligation

613007ak920

Name of Attached Document (.pdf)

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached PDF, on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

- <921> Needs assessment and deployment planning with a focus on Tribal community anchor institutions;
- <922> Feasibility and sustainability planning;
- <923> Marketing services in a culturally sensitive manner;
- <924> Compliance with Rights of way processes
- <925> Compliance with Land Use permitting requirements
- <926> Compliance with Facilities Siting rules
- <927> Compliance with Environmental Review processes
- <928> Compliance with Cultural Preservation review processes
- <929> Compliance with Tribal Business and Licensing requirements.

Select (Yes,No, NA)
Yes
Yes
Yes
Yes
Yes
Yes
Yes
Yes

**(1100) No Terrestrial Backhaul Reporting  
Data Collection Form**

FEC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctcak.coop

<1120> Please check this box to confirm no terrestrial backhaul options exist within the supported area pursuant to § 54.313(G) ☐

<1130> Please check this box to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(G) ☐

(1200) Terms and Condition for Lifeline Customers		FCC Form 481
Lifeline		OMB Control No. 3060-0986/OMB Control No. 3060-0819
Data Collection Form		July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctcak.coop

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

Name of attached document (.pdf)

<1220> Link to Public Website

HTTP <http://www2.ctcak.net/lifeline%20brochure.pdf>

"Please check these boxes below to confirm that the attached PDF, on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

- <1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers, ☒
- <1222> Details on the number of minutes provided as part of the plan, ☒
- <1223> Additional charges for toll calls, and rates for each such plan. ☒



**(2000) Price Cap Carrier Additional Documentation**

**Data Collection Form**

*Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers*

FCC Form 481

OMB Control No. 3060-0986/OMB Control No. 3060-0819

July 2013

<010>	Study Area Code	613007
<015>	Study Area Name	CORDOVA TEL COOP
<020>	Program Year	2014
<030>	Contact Name - Person USAC should contact regarding this data	Lisa Koker
<035>	Contact Telephone Number - Number of person identified in data line <030>	9074242345
<039>	Contact Email Address - Email Address of person identified in data line <030>	lisa@ctoak.coop

CHECK the boxes below to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e) the information reported on this form and in the documents attached below is accurate.

**Incremental Connect America Phase I reporting**

- <2010> 2nd Year Certification {47 CFR § 54.313(b)(1)}  
 <2011> 3rd Year Certification {47 CFR § 54.313(b)(2)}


**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

- <2012> 2013 Frozen Support Certification  
 <2013> 2014 Frozen Support Certification  
 <2014> 2015 Frozen Support Certification  
 <2015> 2016 and future Frozen Support Certification


**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

- <2016> Certification Support Used to Build Broadband

--

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

- <2017> 3rd year Broadband Service Certification  
 <2018> 5th year Broadband Service Certification  
 <2019> Interim Progress Certification  
 <2020> Please check the box to confirm that the attached PDF, on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.  
 <2021> Interim Progress Community Anchor Institutions


Name of Attached Document Listing Required Information

\_\_\_\_\_